

## **Land Bank Board of Trustees Meeting**

**June 2, 2015**

**City Commission Room, 700 N. Jefferson, Junction City KS 66441**

**Mick McCallister  
Phyllis Fitzgerald  
Pat Landes  
Michael Ryan  
Jim Sands**

**1. 6:00 P.M. - CALL TO ORDER**

**2. NEW BUSINESS:**

- a. Consideration of Land Bank Minutes for January 6, 2015.
- b. Update on properties.
- c. Consideration of Policy Adoption on Marketing and Sale of Properties.

**3. ADJOURNMENT:**

## **Land Bank Board of Trustees Meeting**

### **Backup material for agenda item:**

Consideration of Land Bank Minutes for January 6, 2015.

## **JUNCTION CITY LAND BANK BOARD OF TRUSTEES MINUTES**

January 6, 2015

6:00 p.m.

### **CALL TO ORDER**

A meeting of the Junction City Land Bank Board of Trustees was held on Tuesday, January 6, 2015 with Chairman Michael Ryan presiding.

The following members of the Land Bank were present: Cecil Aska, Pat Landes, Mick McCallister, Michael Ryan and Jim Sands. Staff present was: Cheryl Beatty, Catherine Logan, and Tyler Ficken.

### **NEW BUSINESS**

Consideration of Land Bank Minutes for 10-7-2014. Trustee McCallister moved, seconded by Trustee Sands to approve the 10-7-2014 Land Bank Board of Trustees Minutes. Ayes: Aska, Landes, McCallister, Ryan, Sands. Nays: none. Motion carried.

Report on Deed and receipt of properties from Geary County. Report made by David Yearout

Consideration of form for bill amendment regarding re-amortization of special assessments. Trustee Landes moved, seconded by Trustee Sands to approve the form for bill amendment as presented. Ayes: Aska, Landes, McCallister, Ryan, Sands. Nays: none. Motion carried.

Accept or deny a request for a donation of property from Lisa Snodgrass for 1524 North Madison. Trustee Landes stated that the Land Bank should not become a repository for dilapidated structures. Trustee Landes moved, seconded by Trustee Aska to deny the donation of property at 1524 North Madison Street. Ayes: Aska, Landes, McCallister Ryan, Sands. Nays: none. Motion carried.

### **ADJOURNMENT**

Trustee Landes moved, seconded by Trustee McCallister to adjourn at 6:37 p.m. Ayes: Aska, Landes, McCallister, Ryan. Nays: none. Motion carried.

APPROVED AND ACCEPTED THIS 2ND DAY OF MAY AS THE OFFICIAL COPY OF THE JUNCTION CITY LAND BANK BOARD OF TRUSTEES MINUTES FOR JANUARY 6, 2015.

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Tyler Ficken, Secretary

Mick McCallister, Chairman

## **Land Bank Board of Trustees Meeting**

### **Backup material for agenda item:**

Consideration of Policy Adoption on Marketing and Sale of Properties.

**City of Junction City**  
**Land Bank Board of Trustees**  
**Agenda Memo**

June 2, 2015

**From:** David L. Yearout, AICP, CFM, Director of Planning and Zoning

**To:** Land Bank Board of Trustees & Allen Dinkel, City Manager

**Subject:** Land Bank Issues

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There are a number of issues that need discussed at this Board of Trustees meeting. The issues are briefly outlined below, with as much background the topic explanation as possible in this format.

**Issue 1:** Title Status of Land Bank Lots

**Explanation of Issue:** The Quitclaim Deed that transferred all the lots that did not sell at the Tax Sales of 2013 and 2014 has been recorded with the Geary County Register of Deeds. The transfer is effective as of January 1, 2015, which means the Land Bank now is the title owner of all those properties. During the evaluation and discussion with the Title Company, concerns were raised regarding the ability to obtain “clear title” on these lots. The Title Company is continuing to address those issues and, to date, some of the properties have been cleared. The specific properties are identified in the proposed Marketing Plan.

We continue to work with the Title Company on this issue. It is especially important given the fact a large number of the lots will pass the one year “window” following completion of the Tax Sale that must elapse before we can get “clear title”. The “2014 Tax Sale” was completed the end of June in 2014, so the one year will have passed by the end of this month. If we are able to get “clear title” on the lots from that year’s Tax Sale, we will have many more lots available for disposition to the private sector.

**Issue 2:** Policy Adoption on Marketing and Sale of Properties.

**Explanation of Issue:** We continue to have inquiries made regarding the status and availability of these lots. Discussions staff had with those parties indicated the need to “clear the title”, as noted above; and to also address the manner in which the lots would be made available.

Under the Policy adopted by the Board of Trustees last year, a “Marketing Plan” is to be adopted. The content of that Plan is up to the Trustees. At this point, staff is recommending a “Marketing Plan” be considered that provides three basic directives:

1. Identifies specifically those lots that will be offered for sale at this time.
2. Establishes the base price per lot to be set for the lots for sale...as well as the form of offers that will be accepted; which are proposed to be on a “sealed bid” basis.
3. Formally establishes the terms of the delay of the future “special assessments”; at least for the time being.

A copy of the proposed “Marketing Plan” is attached for review and discussion. Staff has inserted language based on the comments given above. However, before this becomes “official”, formal action will be required by the Board of Trustees and the City Commission.

**Issue 3:** Status of Legislative Action affecting Land Bank Properties.

**Explanation of Issue:** As the Board is aware, bills are still pending before the Kansas Legislature that, if passed, would amend the statute and allow the Land Bank to “reamortize” the remaining special assessments against the Land Bank lots. City Manager Dinkel has been monitoring the status of this proposed amendment and has maintained continual communication with our Representatives and Senator to work to keep this from being lost at the end of the session. City Manager Dinkel will provide more information regarding this issue at the meeting.

**Issue 4:** Deferral of 2015 Special Assessments on Land Bank Lots

**Explanation of Issue:** We are at the time of year when the City must “certify” the Special Assessments on all the lots that were involved in the bond financing for infrastructure in the past. That would include all the lots owned by the Land Bank. However, under the authority of existing law, the Board of Trustees should direct the City to defer the 2015 spreading of those specials against the Land Bank lots. Staff has prepared and continues to work with the County officials to identify and assure the correct steps are taken to NOT spread the specials against the Land Bank Lots. But it will also require a formal action by the Board of Trustees and the City Commission to direct this action.

**Issue 5:** Evaluation of Land Bank Lots

**Explanation of Issue:** Staff is aware there are lots that will be identified as we move forward that will need to be evaluated for possible rezoning and/or replatting. The other issues discussed above have taken the bulk of the time of staff, so we haven’t delved deeply into this issue. However, given where we are on the issues above, and knowing more lots will be “cleared” soon; we are planning to start the discussion with the Ad Hoc committee on this issue very soon.

**Enclosures:**

Proposed Marketing Plan

# **JUNCTION CITY, KANSAS Land Bank Board of Trustees**

## **MARKETING PLAN JUNE, 2015**

As of the end of May, 2015, the Junction City Land Bank is in possession of approximately 954 individual parcels that have been transferred from Geary County following tax sales. Concerns with title on these lots are being reviewed through Junction City Abstract and Title at this time. Some of the lots have been given "clear title"; while others are being further evaluated. The lots we have been given "clear title" are available for consideration of sale at this time and the discussion below will address those lots. There are others that will need to wait until after the end of June in order to allow the full year to pass following the final disposition of the tax sale proceedings. We will work on a plan for those lots based on what is done with those available at this time.

Additionally, at the time of the preparation of this Marketing Plan the City is awaiting final action on an amendment to the statutes that will allow the remaining specials to be reamortized. We anticipate this law being approved and becoming effective on July 1, 2015.

This Marketing Plan will address the initial process of how the lots will be offered for sale; and will name the lots that staff believes should be offered at this time.

### **Class "A" Properties Available Now:**

The following properties have cleared the one year wait following completion of the tax sale proceedings, and have been evaluated by Junction City Abstract and Title with a commitment for the issuance of "clear title" upon a sale:

#### ***SUTTER HIGHLANDS***

Lots 4 through 10, Block 5

#### ***OLIVIA FARMS AND OLIVIA FARMS 2ND***

Virtually everything that was owned by Fort Development and is now in the hands of the Land Bank.

### **Initial Disposition of Land Bank Properties.**

Much discussion has been held regarding the manner in which lots should be made available for purchase. It is the recommendation of staff at this point that the Land Bank follow a basic procedure of identifying specific lots it wishes to offer

for sale; establish a “minimum price” for those lots; publicize the lots to be made available and establish a procedure of accepting only “sealed bids” for those lots after a minimum amount of time to submit. The “sealed bid” procedures should follow the same used for the taking of bids for services to the City and include the ability to reject any or all bids. Bidders could propose to purchase one lot, or any number of lots identified in the “sealed bid” list.

The basis of the minimum price shall be determined based on the current value established by the Geary County Appraisers Office, and knowledge of the amount of monies expended by the City of Junction City to cover the “specials” for the infrastructure improvements that have been “lost”. If circumstances exist that suggest this value is inappropriate, the Land Bank Board of Trustees reserves the right to set an alternative minimum price.

The expectation is the lots initially identified for sale will be for single-family development. The zoning classification will accommodate that use. Sutter Highlands is zoned “RD” Duplex Residential. Olivia Farms is generally zoned “PDD” Planned Development; however it is anticipated the lots that would be identified as “RG” General Residential or are restricted to single-family uses under the “PDD” approval. If a buyer wishes to pursue a change in zoning, that should be totally up to them and the Land Bank should not condition the sale upon a rezoning approval. However, the Land Bank may wish to initial a rezone on the Sutter Highlands lots from “RD” to “RG”.

All Land Bank property shall be conveyed and deed recorded within 180 days of award and approval of the Land Bank Board of Trustees. Any property not conveyed within the above time period, and without a written extension from the Land Bank Board of Trustees, will have the award voided and the property shall be returned to the Land Bank Inventory.

A decision needs to be made regarding whether there is a desire to establish a maximum amount of time before a building permit can be sought as a condition of the lot sales. Presuming the sales would finalize by the end of the summer; it would be reasonable to require a building permit be issued within one year of closing on the sale. This would most likely provide that a home would be constructed and be available by the end of 2016. This is a “policy issue” that needs direction before the lots to be made available are identified.

Finally, the “policy” on future specials should be generally provided at this time. Since the statute has not been amended yet...and presuming it will happen...staff is recommending the Land Bank establish the policy at this time to be the following:

1. The special assessments on all Land Bank lots for 2015 (which would show up on the tax statements in November of 2015) shall be “deferred” and not levied or spread.



2. The special assessments on all Land Bank lots for future years shall be continued under the same terms and conditions established in the original bond issuance for that subdivision.
3. Any consideration of reamortization for future special assessments will be discussed only after state laws have been changed and an evaluation made of the financial interests of the City regarding those properties.

### **Subsequent Disposition of Land Bank Properties.**

As other lots become available with “clear titles”, the Land Bank will make a determination of which lots to make available for sale. At this point, it is anticipated the policies and procedures outlined above will be followed. However, conditions and circumstances may warrant a modification to that procedure and will be determined and articulated at that time.

### **Special Disposition of Certain Land Bank Properties.**

There is a few properties owned by the Land Bank that are not a part of a subdivision and don't carry outstanding special assessments. At this point, staff believes the Land Bank Board of Trustees should authorize the staff to solicit a written offer from the adjoining landowners and bring those offers forward for consideration on a case-by-case basis. The main properties that fall into this category at this time is a 5-acre tract along Grant Avenue and two properties along Cypress Street in the southern portion of the City.

### **Qualifications for Applicants to Purchase of Land Bank Property.**

No applicant to purchase any property(ies) from the Land Bank shall be delinquent on any licenses or taxes in Geary County. (For these purposes, participation with any City of Junction City or Geary County Payment Plan(s) constitutes delinquency).

No applicant shall have a history of code enforcement violations on properties they own; nor shall said applicant have any outstanding violations. A history of 3 notices for code violations in the previous calendar year or 5 notices for code violations in the past 3 calendar years will make an individual ineligible to apply.

### **Requirements of Purchasers of Land Bank Property.**

All property(ies) acquired from the Land Bank shall be subject to regular ad valorem taxes levied by all taxing entities within Geary County, Kansas. Purchasers of property(ies) shall remain current on all ad valorem taxes during all time the property(ies) in question may be eligible for the abatement or modification of outstanding Special Assessments as outlined herein.

No property(ies) acquired from the Land Bank shall be eligible for any other tax abatement or “incentive” program, including Neighborhood Revitalization Program or similar processes wherein property taxes are abated or rebated.

All purchasers of property(ies) acquired from the Land Bank must be properly maintained with no notices for code violations.